

SENATE BILL No. 647

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-20-20-1; IC 36-6.

Synopsis: Township board approval of claims. Provides that if a township legislative adopts a resolution, the township legislative body must approve payment of a claim (other than a claim for township assistance or a claim paid from township assistance funds) before the township executive may issue a warrant for payment unless the legislative body approves advance payment of the claim.

Effective: July 1, 2005.

Mrvan

January 24, 2005, read first time and referred to Committee on Governmental Affairs and Interstate Cooperation.

C
o
p
y



Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 647

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 12-20-20-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) If a township
3 trustee, as administrator of ~~poor relief~~, **township assistance**, grants
4 ~~poor relief township assistance~~ to an indigent individual or to any
5 other person or agency on a township ~~poor relief assistance~~ order as
6 provided by law or obligates the township for an item properly payable
7 from ~~poor relief township assistance~~ money, the claim against the
8 township must be:
9 (1) itemized and sworn to as provided by law;
10 (2) accompanied by the original township ~~poor relief assistance~~
11 order, which must be itemized and signed; and
12 (3) checked with the records of the township trustee, as
13 administrator of ~~poor relief~~, **township assistance**, and audited and
14 certified by the township trustee.
15 (b) The township trustee shall pay claims against the township for
16 ~~poor relief township assistance~~ in the same manner that other claims
17 against the township are paid, **unless the township pays other claims**

2005

IN 647—LS 7831/DI 87+



C
o
p
y

under IC 36-6-4.5. The township trustee, when authorized to pay claims directly to vendors, shall pay a claim within forty-five (45) days. The township trustee shall pay the claim from:

- (1) any balance standing to the credit of the township against which the claim is filed; or
- (2) from any other available fund from which advancements can be made to the township for that purpose.

SECTION 2. IC 36-6-4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) **This section does not apply to claims paid by a township under IC 36-6-4.5.** Each purchase for the township by the executive must be made on written order of the executive, certifying that sufficient funds have been appropriated to pay the full price of the purchase. The executive shall issue a warrant and pay for the purchase not later than receipt of the county treasurer's first semiannual distribution following the purchase.

(b) An executive who violates this section commits a Class C infraction and is liable on ~~his~~ **the executive's** official bond for the value of the purchase.

SECTION 3. IC 36-6-4-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) At the annual meeting of the township legislative body under IC 36-6-6-9 the executive shall present a complete report of all receipts and expenditures of the preceding calendar year, including the balance to the credit of each fund controlled by the executive, **and a report of all claims paid under IC 36-6-4.5.** If the executive controls any money that is not included in a particular fund, then the executive shall state all the facts concerning that money in the report.

(b) Each item of expenditure must be accompanied by the verified voucher of the person to whom the sum was paid, stating:

- (1) why the payment was made;
- (2) that the receipt is for the exact sum received;
- (3) that no part of the sum has been retained by the executive; and
- (4) that no part of the sum has been or is to be returned to the executive or any other person.

The executive may administer oaths to persons giving these receipts. **However, if the claim was paid under IC 36-6-4.5, the executive shall attach a copy of the itemized invoice and certification approved by the legislative body.**

(c) The executive shall swear or affirm that:

- (1) the report shows all sums received by ~~him~~ **the executive**;
- (2) the expenditures credited have been fully paid in the sums stated, without express or implied agreement that any part of the

C
o
p
y



1 sums is to be retained by or returned to the executive or any other
2 person; and

3 (3) the executive has received no money or other property in
4 consideration of any contract entered into on behalf of the
5 township.

6 (d) Within ten (10) days after the legislative body's action under
7 IC 36-6-6-9, the executive shall file a copy of the report and its
8 accompanying vouchers, as adopted by the legislative body, in the
9 county auditor's office. The legislative body may, for the benefit of the
10 township, bring a civil action against the executive if the executive fails
11 to file the report within ten (10) days after the legislative body's action.
12 The legislative body may recover five dollars (\$5) for each day beyond
13 the time limit for filing the report, until the report is filed.

14 SECTION 4. IC 36-6-4.5 IS ADDED TO THE INDIANA CODE
15 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2005]:

17 **Chapter 4.5. Approval of Claims**

18 **Sec. 1. (a) Except as provided in subsection (b), this chapter**
19 **applies to a township, if the township legislative body adopts the**
20 **provisions of this chapter by resolution.**

21 **(b) This chapter does not apply to the payment of claims for**
22 **township assistance under IC 12 or any claim for payment that is**
23 **paid out of township assistance funds.**

24 **Sec. 2. Money may be paid out of township funds only on**
25 **warrant of the executive. Unless a statute provides otherwise, the**
26 **executive may draw a warrant against a fund of the township only**
27 **if:**

28 **(1) an appropriation has been made for that purpose and the**
29 **appropriation is not exhausted;**

30 **(2) the warrant is for a salary fixed by statute or resolution;**

31 **(3) the warrant is for a claim allowed under section 6 of this**
32 **chapter;**

33 **(4) the executive is ordered to issue the warrant under section**
34 **5 of this chapter;**

35 **(5) the warrant is for payment of a judgment that the**
36 **township must pay; or**

37 **(6) the warrant is for interest due on township bonds.**

38 **Sec. 3. The township executive may draw a warrant against a**
39 **fund of the township only if the warrant is for a claim allowed**
40 **under this chapter. The township legislative body may order the**
41 **issuance of warrants for payment of money by the township only**
42 **at a meeting of the legislative body.**

C
O
P
Y



1 Sec. 4. (a) As used in this section, "claim" means a bill or an
2 invoice submitted for goods or services.

3 (b) Except as provided in section 6 of this chapter, a warrant for
4 payment of a claim against a city may be issued only if the claim is:

- 5 (1) fully itemized and certified under IC 5-11-10-1.6;
- 6 (2) approved by the executive or person receiving the goods or
7 services;
- 8 (3) filed with the executive;
- 9 (4) audited and certified by the executive before payment that
10 each invoice is true and correct; and
- 11 (5) allowed by the township legislative body or board having
12 jurisdiction over allowance of the claim.

13 (c) The certification by the executive under subsection (b)(4)
14 must be on a form prescribed by the state board of accounts.

15 Sec. 5. (a) The executive may audit a claim against the township
16 by examining under oath any officer, agent, or employee of the
17 township or any other person. When acting under this section, the
18 executive has the same powers as the township legislative body in
19 summoning and examining witnesses.

20 (b) If the executive finds that:

- 21 (1) the claim includes an item for which no appropriation has
22 been made;
- 23 (2) there is not a sufficient balance for payment of the claim
24 in the proper fund; or
- 25 (3) the claim should not be approved for any reason;

26 the executive may not issue warrants to pay the claim and the
27 executive shall notify the proper department of the township of the
28 reasons for the executive's refusal to pay the claim.

29 Sec. 6. Except as provided in section 7 of this chapter, the
30 township legislative body may allow a claim only:

- 31 (1) at a meeting of the township legislative body; and
- 32 (2) if the claim was filed in the manner prescribed by
33 IC 5-11-10-2 at least five (5) days before the meeting.

34 Sec. 7. (a) A township legislative body may adopt a resolution
35 allowing money to be disbursed for township purposes under this
36 section.

37 (b) Notwithstanding IC 5-11-10, with the prior written approval
38 of the township legislative body, the township trustee may make
39 claim payments in advance of the township legislative body's
40 allowance for the following kinds of expenses if the township
41 legislative body has adopted a resolution under subsection (a):

- 42 (1) Property or services purchased or leased from the federal

C
O
P
Y



government, its agencies, or its political subdivisions.

(2) License or permit fees.

(3) Insurance premiums.

(4) Utility payments or utility connection charges.

(5) General grant programs where advance funding is not prohibited and the contracting party posts sufficient security to cover the amount advanced.

(6) Grants of state funds authorized by statute.

(7) Maintenance or service agreements.

(8) Leases or rental agreements.

(9) Bond or coupon payments.

(10) Payroll.

(11) State, federal, or county taxes.

(12) Expenses that must be paid because of emergency circumstances.

(13) Expenses described in a resolution.

(c) Each payment of expenses under this section must be supported by a fully itemized invoice or bill and certification by the township executive.

(d) The township legislative body shall review and allow the claim at the legislative body's next regular or special meeting following the preapproved payment of the expense.

(e) At the annual meeting of the township legislative body under IC 36-6-6-9, the executive shall submit under oath to the township legislative body a report of the accounts of the township published in pamphlet form and showing revenues, receipts, expenditures, and the sources of revenues.

Sec. 8. An executive who violates this chapter forfeits the executive's office.

C
O
P
Y

